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IRS GRANTS PENALTY RELIEF TO WEST VIRGINIA STORM VICTIMS

The Internal Revenue Service today announced special penalty relief for residents of five West Virginia counties - **Cabell, Kanawha, Lincoln, Mingo and Wayne** - affected by the severe winter storms and flooding that began Feb. 15, 2003. Taxpayers outside these counties who were significantly impacted by the storms may also ask for this relief.

Although the IRS is **not** granting additional time to file returns or pay taxes, it will **abate penalties**, based on reasonable cause, for taxpayers who file returns or make payments within 60 days of their due dates. Individuals or businesses located in these counties - or taxpayers outside these counties that were directly affected by the storms or flooding - should contact the IRS if they receive penalties for filing returns or paying taxes late. The IRS cannot abate interest on overdue taxes in this situation.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements, but they must first subtract \$100 for each casualty event and then subtract ten percent of their adjusted gross income from their total casualty losses for the year. For details on figuring a casualty loss deduction, see IRS Publication 547, "Casualties, Disasters and Thefts."

The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns for affected taxpayers who need them to apply for benefits or for other purposes. Such taxpayers should put **"Severe Winter Storms/Flooding-WVA"** in red ink at the top of Form 4506, "Request for Copy or Transcript of Tax Form," and submit it to the IRS.

Affected taxpayers who are contacted by the IRS on a collection or examination matter should explain how the storms or flooding impact them so that the IRS can provide appropriate consideration to their case.

Taxpayers may download forms and publications from the IRS Web site at www.irs.gov or may order them by calling 1-800-TAX-FORM (1-800-829-3676). The IRS toll-free number for general tax questions is 1-800-829-1040.